

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1165 be amended to read as follows:

- 1 Page 3, between lines 2 and 3, begin a new paragraph and insert:
- 2 "SECTION 2. IC 6-3-3-14 IS ADDED TO THE INDIANA CODE
- 3 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2008]: **Sec. 14. (a) As used in this section, "hybrid**
- 5 **vehicle" means a motor vehicle that:**
- 6 **(1) draws propulsion energy from both an internal**
- 7 **combustion engine and an energy storage device; and**
- 8 **(2) employs a regenerative braking system to recover waste**
- 9 **energy to charge the energy storage device that is providing**
- 10 **propulsion energy.**
- 11 **(b) As used in this section, "residual value" means the estimated**
- 12 **value of a vehicle upon expiration of a lease as established at the**
- 13 **beginning of the lease agreement and used in calculating the**
- 14 **lessee's monthly lease payments.**
- 15 **(c) A credit provided in this section shall be a refundable credit**
- 16 **against the individual's adjusted gross income tax liability imposed**
- 17 **by IC 6-3-1 through IC 6-3-7.**
- 18 **(d) Subject to the limitations in this section, an individual who**
- 19 **purchases or leases a new hybrid vehicle is entitled to a credit**
- 20 **under this section for the taxable year in which the individual**
- 21 **purchases or begins to lease the vehicle. The amount of the credit**
- 22 **is equal to one thousand dollars (\$1,000).**
- 23 **(e) An individual who leases a new hybrid vehicle is entitled to**
- 24 **a credit equal to the amount determined under STEP FIVE of the**

following formula:

STEP ONE: Determine the value of the vehicle as listed in the lease agreement and negotiated by the dealer and the purchaser.

STEP TWO: Determine the residual value of the hybrid vehicle.

STEP THREE: Subtract the STEP TWO amount from the STEP ONE amount.

STEP FOUR: Divide the STEP THREE result by the STEP ONE amount.

STEP FIVE: Multiply the STEP FOUR result (rounded to the nearest ten-thousandth (0.0001)) by one thousand dollars (\$1,000).

(f) An individual who:

(1) claims a credit under this section for a leased hybrid vehicle; and

(2) purchases the leased hybrid vehicle at the end of the lease term;

is entitled to a credit under this subsection for the taxable year in which the leased hybrid vehicle is purchased. The amount of the credit provided in this subsection is equal to the result of the credit claimed by the individual under subsection (e) at the beginning of the lease term subtracted from one thousand dollars (\$1,000).

(g) The aggregate number of credits that may be allowed under this section in a particular state fiscal year may not exceed five thousand (5,000) credits. Any credits claimed under subsection (f) may not be considered in determining the number of credits that may be allowed under this subsection.

(h) The department shall develop and implement a system that informs the citizens of Indiana of the availability of a credit under this section before the sale or lease of a hybrid vehicle for which the individual may claim a credit under this section.

(i) To obtain the credit provided by this section, the individual must:

(1) claim the credit on the individual's state tax return or returns in the manner prescribed by the department; and

(2) submit to the department proof of all information that the department determines is necessary for the calculation of the credit.

(j) An individual is not entitled to a credit under this section if the hybrid vehicle for which the credit is being claimed was purchased for the purpose of resale or lease."

Page 3, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 4. [EFFECTIVE JANUARY 1, 2008] IC 6-3-3-14, as added by this act, applies to taxable years beginning after December 31, 2007."

Re-number all SECTIONS consecutively.

(Reference is to HB 1165 as printed January 26, 2007.)

Representative Elrod